

## Message Text

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43

ACTION EB-07

INFO OCT-01 EUR-12 EA-06 ISO-00 SP-02 AID-05 NSC-05 RSC-01

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 CIAE-00

COME-00 FRB-01 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 L-02 H-01 PA-01 PRS-01 USIA-06 AGR-05 /092 W

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P R 091728Z JAN 75

FM AMEMBASSY PARIS

TO SECSTATE WASHDC PRIORITY 5721

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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PASS TREASURY

E.O. LL652: N/A

TAGS: EFIN, FR

SUBJECT: U.S. TRUST FUND PROPOSAL AND JANUARY L7

DEVELOPMENT COMMITTEE MEETING

REF: STATE 4030

L. ECONOMICS AND FINANCE MINISTER FOURCADE WILL BE FRENCH DELEGATE TO JANUARY L7 WASHINGTON MEETING OF DEVELOPMENT COMMITTEE. UPON LEARNING THAT HIS EXCEEDINGLY HEAVY SCHEDULE MADE IT UNLIKELY THAT HE COULD FIT IN APPOINTMENT FOR US, WE PREPARED MEMORANDUM SETTING FORTH U.S. POSITION ON JANUARY L7 MEETING AS CONTAINED REFTEL, WHICH WE CONVEYED TO LAROSIERE, DIRECTOR OF LIMITED OFFICIAL USE

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TREASURY IN FRENCH FINANCE MINISTRY, AND FOURCADE'S

DEPUTY FOR IMF/IBRD MEETINGS. LAROSIERE SAID HE WOULD INFORM FOURCADE OF OUR DEMARCHE SOONEST.

2. WE ASKED LAROSIERE IF HE HAD ANY PRELIMINARY REACTIONS WHICH WE COULD REPORT TO WASHINGTON. HE REPLIED THAT HE WOULD SPEAK FRANKLY TO SAY IT WAS VERY DIFFICULT FOR FRENCH AUTHORITIES TO ADDRESS EFFECTIVELY LAST-MINUTE INITIATIVES OF THIS KIND. (STAFF LEVEL MEMBERS OF FRENCH DELEGATION TO NEXT WEEK'S MEETINGS HAVE ALREADY LEFT FOR WASHINGTON, AND LAROSIERE HIMSELF IS ABOUT TO LEAVE AFTER VERY FULL SCHEDULE TODAY IN CONNECTION WITH DECISION TO REVALUE FRENCH GOLD STOCKS.) THIS WAS, TO HIS WAY OF THINKING, SIMPLY NOT A GOOD WORK PROCEDURE. IT WOULD HAVE BEEN HELPFUL TO FRENCH, IN CONSIDERING OUR IDEAS, TO KNOW THEM A GOOD DEAL MORE IN ADVANCE OF THE MEETING. FOR EXAMPLE, THIS QUESTION COULD HAVE USEFULLY BEEN DISCUSSED AT MARTINIQUE.

3. LAROSIERE SAID IT WAS OF COURSE NO SECRET TO US THAT FRENCH WERE FIRMLY OPPOSED TO U.S. IDEAS ON SALE OF IMF GOLD CONTAINED IN TRUST FUND PROPOSAL. IF THIS GOLD WAS BURNING IMF'S FINGERS, FUND HAD ONLY TO RETURN IT TO MEMBER GOVERNMENTS, WHICH WERE ITS REAL OWNERS. FRANCE WAS NOT INDIFFERENT TO PLIGHT OF MSA'S. DESPITE VERY SERIOUS BALANCE OF PAYMENTS DIFFICULTIES, FRENCH GOVERNMENT HAD MAINTAINED ITS HIGH LEVEL OF ECONOMIC ASSISTANCE TO LDC'S, AND IT WAS SORRY TO SEE THAT U.S. HAD NOT BEEN ABLE TO DO LIKEWISE. SCRAMBLING IN U.S. TRUST FUND PROPOSAL OF CONCERN FOR MSA'S AND SALE OF GOLD WAS NOT, IN FRENCH VIEW, APPROPRIATE MIXTURE.

4. IN REPLY TO OUR QUESTION, LAROSIERE SAID HE WAS NOT PERSONALLY FAMILIAR WITH IBRD "THIRD WINDOW." HE WAS NOT SURE IDEA HAD BEEN PRESENTED IN ANY DETAIL. HOWEVER, HE PLANNED DURING AIRPLANE TRIP TO WASHINGTON TO LOOK OVER WHAT DOCUMENTATION HIS STAFF HAD ASSEMBLED FOR HIM ON THE MATTER.

5. COMMENT: GIVEN SOUR FRENCH POSITION, AS EXEMPLIFIED BY LAROSIERE'S REMARKS, ON SUBSTANCE OF U.S. PROPOSAL, WE VERY MUCH DOUBT THAT WE CAN COUNT ON ANY DEGREE OF FRENCH SUPPORT FOR OUR PROCEDURAL OBJECTIVES RE JANUARY L7 MEETING AS SET FORTH REFTEL.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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